

Sunnyside Cogeneration Associates

P.O. Box 10, East Carbon, Utah 84520 • (435) 888-4476 • Fax (435) 888-2538

January 15, 2004

Daron Haddock
STATE OF UTAH
Division of Oil, Gas & Mining
1594 W. North Temple, Suite 1210
P. O. Box 145801
Salt Lake City, Utah 84114-5801

RE: Fourth Quarter 2003 Inspection Report
Star Point Refuse Pile C/007/042

Handwritten signature and initials
C/007/0042

Dear Mr. Haddock:

Please find enclosed a copy of the Fourth Quarter 2003 Inspection Report for the Star Point refuse pile, impoundments, and excess spoil area. The inspection was performed by a professional engineer from Psomas and Associates Engineering.

Should you have any questions, please contact me or Rusty Netz at (435) 888-4476.

Sincerely,

Agent For
Sunnyside Cogeneration Associates

Handwritten signature of Randy J. Scott

Randy J. Scott
Plant Manager

Enclosure

c.c. Karl Houskeeper/Division of Oil, Gas & Mining
Rusty Netz, COSI
Plant File

RECEIVED
JAN 20 2004
DIV. OF OIL, GAS & MINING

IMPOUNDMENT INSPECTION AND CERTIFIED REPORT		Sediment Pond 006	
Permit Number	C/007/042	Report Date 1/6/04	
Mine Name	STAR POINT WASTE FUEL		
Company Name	SUNNYSIDE COGENERATION ASSOCIATES		
Impoundment Identification	Impoundment Name	Sediment Pond 006	
	Impoundment Number	006	
	UPDES Permit Number	UTG040025	
	MSHA ID Number	N/A	
IMPOUNDMENT INSPECTION			
Inspection Date	December 12, 2003		
Inspected By	Scott Carlson		
Reason for Inspection (Annual, Quarterly or Other Periodic Inspection, Critical Installation, or Completion of Construction)		Fourth Quarter Inspection 2003	
<p>1. Describe any appearance of any instability, structural weakness, or any other hazardous condition.</p> <p>NONE</p>			
Required for an impoundment which functions as a SEDIMENTATION POND.	<p>2. Sediment storage capacity, including elevation of 60% and 100% sediment storage volumes, and, estimated average elevation of existing sediment.</p> <p>Total Pond volume = 2.6 acre-feet</p> <p>Sediment Storage Capacity = 0.76 acre-feet</p> <p>Pond bottom elevation = 7132.7</p> <p>60% sediment elevation = 7138.8</p> <p>Maximum Sediment Depth Elevation = 7140.7</p> <p>Existing Sediment Elevation = 7134 +/-</p>		
	<p>3. Principle and emergency spillway elevations.</p> <p>Spillway Elevation = 7147.2</p>		

IMPOUNDMENT INSPECTION AND CERTIFIED REPORT

Sediment Pond 006

4. Field Information. Provide current water elevation, whether pond is discharging, type and number of samples taken, monitoring/instrumentation information, inlet/outlet conditions, or other related activities associated with the pond including but not limited to sediment cleanout, pond decanting, embankment erosion/repairs, monitoring information, vegetation on outslopes of embankments, etc.

No discharge, inlet/outlet conditions are good,
no structural or hazardous conditions exist.

5. Field Evaluation. Describe any changes in the geometry of the impounding structure, average and maximum depths and elevations of impounded water, estimated sediment or slurry volume and remaining storage capacity, estimated volume of water impounded, and any other aspect of the impounding structure affecting its stability or function which has occurred during the reporting period.

No changes. Pond was essentially empty.
No structure or stability problems observed.

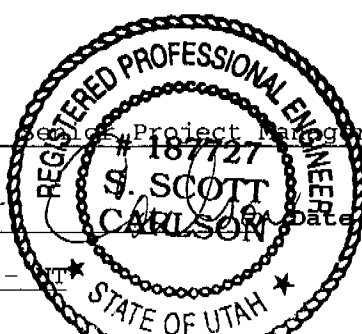
**Qualification
Statement**

I hereby certify that; I am experienced in the construction of impoundments; I am qualified and authorized under the direction of a Registered Professional Engineer to inspect the condition and appearance of impoundments in accordance with the certified and approved designs for this structure; that the impoundment has been maintained in accordance with approved design and meet or exceed the minimum design requirements under all applicable federal, state and local regulations; and, that inspections and inspection reports are made by myself and include any appearances of instability, structural weakness or other hazardous conditions of the structure affecting stability.

Signature:



Date: 1/6/04

IMPOUNDMENT INSPECTION AND CERTIFIED REPORT	Sediment Pond 006	
CERTIFIED REPORT		
IMPOUNDMENT EVALUATION (If NO, explain under Comments)	YES	NO
1. Is impoundment designed and constructed in accordance with the approved plan?	yes	
2. Is impoundment free of instability, structural weakness, or any other hazardous condition?	yes	
3. Has the impoundment met all applicable performance standards and effluent limitations from the previous date of inspection?	yes	
COMMENTS AND OTHER INFORMATION		
Certification Statement:	<p>I hereby certify that; I am experienced in the construction of impoundments; I am qualified and authorized in the State of Utah to inspect and certify the condition and appearance of impoundments in accordance with the certified and approved designs for this structure; that the impoundment has been maintained in accordance with approved design and meet or exceed the minimum design requirements under all applicable federal, state and local regulations; and, that inspections and inspection reports are made by myself or under my direction and include any appearances of instability, structural weakness or other hazardous conditions of the structure affecting stability in accordance with the Utah R645 Coal Mining Rules.</p>	
By: <u>S. Scott Carlson, P.E.</u> Signature: <u><i>S. Scott Carlson</i></u> P.E. Number & State: <u>187727 - UT</u>	<div style="text-align: right;">  </div> <div style="text-align: right;"> <u>1/6/04</u> </div>	



Sediment Pond # 006

IMPOUNDMENT INSPECTION AND CERTIFIED REPORT		Sediment Pond 005	
Permit Number	C/007/042	Report Date 1/6/04	
Mine Name	STAR POINT WASTE FUEL		
Company Name	SUNNYSIDE COGENERATION ASSOCIATES		
Impoundment Identification	Impoundment Name	Sediment Pond 005	
	Impoundment Number	005	
	UPDES Permit Number	UTG040025	
	MSHA ID Number	N/A	
IMPOUNDMENT INSPECTION			
Inspection Date	December 12, 2003		
Inspected By	Scott Carlson		
Reason for Inspection (Annual, Quarterly or Other Periodic Inspection, Critical Installation, or Completion of Construction)		Fourth Quarter Inspection 2003	
<p>1. Describe any appearance of any instability, structural weakness, or any other hazardous condition.</p> <p>NONE</p>			
Required for an impoundment which functions as a SEDIMENTATION POND.	<p>2. Sediment storage capacity, including elevation of 60% and 100% sediment storage volumes, and, estimated average elevation of existing sediment.</p> <p>Total Pond volume = 6.96 acre-feet</p> <p>Sediment Storage Capacity = 2.42 acre-feet Pond bottom elevation = 7387.3 60% sediment elevation = 7393 Maximum Sediment Depth Elevation = 7394.9 Existing Sediment Elevation = 7388 +/-</p>		
	<p>3. Principle and emergency spillway elevations.</p> <p>Spillway Elevation = 7401.3</p>		

IMPOUNDMENT INSPECTION AND CERTIFIED REPORT

Sediment Pond 005

4. Field Information. Provide current water elevation, whether pond is discharging, type and number of samples taken, monitoring/instrumentation information, inlet/outlet conditions, or other related activities associated with the pond including but not limited to sediment cleanout, pond decanting, embankment erosion/repairs, monitoring information, vegetation on outslopes of embankments, etc.

No discharge, inlet/outlet conditions are good

No structural or hazardous conditions exist.

5. Field Evaluation. Describe any changes in the geometry of the impounding structure, average and maximum depths and elevations of impounded water, estimated sediment or slurry volume and remaining storage capacity, estimated volume of water impounded, and any other aspect of the impounding structure affecting its stability or function which has occurred during the reporting period.

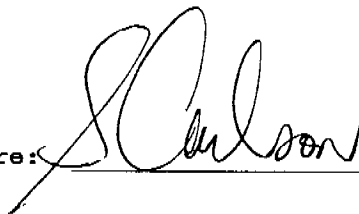
Pond was essentially empty.

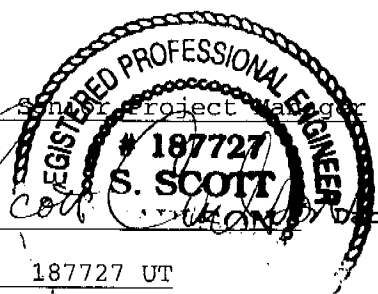
No structure or stability problems observed.

Qualification Statement

I hereby certify that; I am experienced in the construction of impoundments; I am qualified and authorized under the direction of a Registered Professional Engineer to inspect the condition and appearance of impoundments in accordance with the certified and approved designs for this structure; that the impoundment has been maintained in accordance with approved design and meet or exceed the minimum design requirements under all applicable federal, state and local regulations; and, that inspections and inspection reports are made by myself and include any appearances of instability, structural weakness or other hazardous conditions of the structure affecting stability.

Signature: _____

Date: 1/6/04

IMPOUNDMENT INSPECTION AND CERTIFIED REPORT		Sediment Pond 005	
CERTIFIED REPORT			
IMPOUNDMENT EVALUATION (If NO, explain under Comments)		YES	NO
1. Is impoundment designed and constructed in accordance with the approved plan?		yes	
2. Is impoundment free of instability, structural weakness, or any other hazardous condition?		yes	
3. Has the impoundment met all applicable performance standards and effluent limitations from the previous date of inspection?		yes	
COMMENTS AND OTHER INFORMATION			
None			
Certification Statement:		<p>I hereby certify that; I am experienced in the construction of impoundments; I am qualified and authorized in the State of Utah to inspect and certify the condition and appearance of impoundments in accordance with the certified and approved designs for this structure; that the impoundment has been maintained in accordance with approved design and meet or exceed the minimum design requirements under all applicable federal, state and local regulations; and, that inspections and inspection reports are made by myself or under my direction and include any appearances of instability, structural weakness or other hazardous conditions of the structure affecting stability in accordance with the Utah R645 Coal Mining Rules.</p>	
By: S. Scott Carlson (Full Name and Title)			
Signature: _____		Date: 1/6/04	
P.E. Number & State: 187727 UT			



Sediment Pond # 005

IMPOUNDMENT INSPECTION AND CERTIFIED REPORT		Sediment Pond 009	
Permit Number	C/007/042	Report Date 1/6/04	
Mine Name	STAR POINT WASTE FUEL		
Company Name	SUNNYSIDE COGENERATION ASSOCIATES		
Impoundment Identification	Impoundment Name	Sediment Pond 009	
	Impoundment Number	009	
	UPDES Permit Number	UTG040025	
	MSHA ID Number	N/A	
IMPOUNDMENT INSPECTION			
Inspection Date	December 12, 2003		
Inspected By	Scott Carlson		
Reason for Inspection (Annual, Quarterly or Other Periodic Inspection, Critical Installation, or Completion of Construction)		Fourth Quarter Inspection 2003	
<p>1. Describe any appearance of any instability, structural weakness, or any other hazardous condition.</p> <p>NONE</p>			
Required for an impoundment which functions as a SEDIMENTATION POND	<p>2. Sediment storage capacity, including elevation of 60% and 100% sediment storage volumes, and, estimated average elevation of existing sediment.</p> <p>Total Pond volume = 7.4 acre-feet</p> <p>Sediment Storage Capacity = 2.02 acre-feet</p> <p>Pond bottom elevation = 7435.0</p> <p>60% sediment elevation = 7437.7</p> <p>Maximum Sediment Depth Elevation = 7439.3</p> <p>Existing Sediment Elevation = 7436 +/-</p>		
	<p>3. Principle and emergency spillway elevations.</p> <p>Emergency Spillway Elevation = 7446.5</p> <p>Primary Drain Elevation = 7445.5</p>		

IMPOUNDMENT INSPECTION AND CERTIFIED REPORT

Sediment Pond 009

4. Field Information. Provide current water elevation, whether pond is discharging, type and number of samples taken, monitoring/instrumentation information, inlet/outlet conditions, or other related activities associated with the pond including but not limited to sediment cleanout, pond decanting, embankment erosion/repairs, monitoring information, vegetation on outslopes of embankments, etc.

No discharge, Pond was essentially empty. inlet/outlet conditions are good,
No structural or hazardous conditions exist.

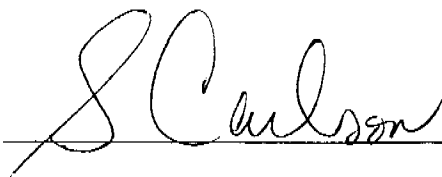
5. Field Evaluation. Describe any changes in the geometry of the impounding structure, average and maximum depths and elevations of impounded water, estimated sediment or slurry volume and remaining storage capacity, estimated volume of water impounded, and any other aspect of the impounding structure affecting its stability or function which has occurred during the reporting period.

No changes, no structure or stability problems observed.

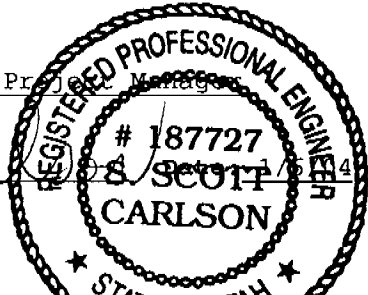
**Qualification
Statement**

I hereby certify that; I am experienced in the construction of impoundments; I am qualified and authorized under the direction of a Registered Professional Engineer to inspect the condition and appearance of impoundments in accordance with the certified and approved designs for this structure; that the impoundment has been maintained in accordance with approved design and meet or exceed the minimum design requirements under all applicable federal, state and local regulations; and, that inspections and inspection reports are made by myself and include any appearances of instability, structural weakness or other hazardous conditions of the structure affecting stability.

Signature:



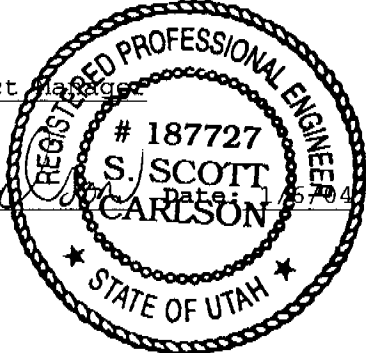
Date: 1/6/04

IMPOUNDMENT INSPECTION AND CERTIFIED REPORT	Sediment Pond 009	
CERTIFIED REPORT		
IMPOUNDMENT EVALUATION (If NO, explain under Comments)	YES	NO
1. Is impoundment designed and constructed in accordance with the approved plan?	yes	
2. Is impoundment free of instability, structural weakness, or any other hazardous condition?	yes	
3. Has the impoundment met all applicable performance standards and effluent limitations from the previous date of inspection?	yes	
COMMENTS AND OTHER INFORMATION		
None		
Certification Statement:	<p>I hereby certify that; I am experienced in the construction of impoundments; I am qualified and authorized in the State of Utah to inspect and certify the condition and appearance of impoundments in accordance with the certified and approved designs for this structure; that the impoundment has been maintained in accordance with approved design and meet or exceed the minimum design requirements under all applicable federal, state and local regulations; and, that inspections and inspection reports are made by myself or under my direction and include any appearances of instability, structural weakness or other hazardous conditions of the structure affecting stability in accordance with the Utah R645 Coal Mining Rules.</p>	
By: <u>S. Scott Carlson, P.E. Senior Project Manager</u> Signature: <u><i>S. Scott Carlson</i></u> P.E. Number & State: <u>187727 - UT</u>		



Sediment Pond 009 (12/12/03)

INSPECTION AND CERTIFIED REPORT ON EXCESS SPOIL PILE OR REFUSE PILE		Coarse Refuse Pile
Permit Number	C/007/042	Report Date 1/6/04
Mine Name	STAR POINT WASTE FUEL	
Company Name	SUNNYSIDE COGENERATION ASSOCIATES	
Excess Spoil Pile or Refuse Pile Identification	Pile Name:	Coarse Refuse Pile
	Pile Number	N/A
	MSHA ID Number	1211-UT-09-02334-01
Inspection Date	December 12, 2003	
Inspected By	Scott Carlson	
Reason for Inspection (Annual, Quarterly or Other Periodic Inspection, Critical Installation, or Completion of Construction)		Fourth Quarter Inspection 2003
		Attachments to Report? <input type="checkbox"/> No <input checked="" type="checkbox"/> Yes
Field Evaluation		
1. Foundation preparation, including the removal of all organic material and topsoil. N/A		
2. Placement of underdrains and protective filter systems. N/A		
3. Installation of final surface drainage systems. N/A		
4. Placement and compaction of fill materials. N/A Removal of Refuse Material Only		

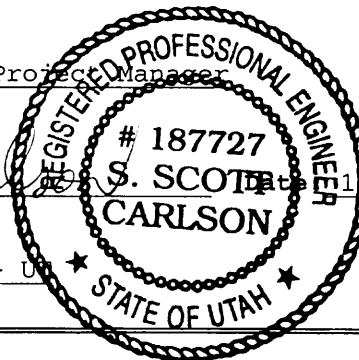
INSPECTION AND CERTIFIED REPORT ON EXCESS SPOIL PILE OR REFUSE PILE	Coarse Refuse Pile
<p>5. Final grading and revegetation of fill.</p> <p>N/A</p>	
<p>6. Appearances of instability, structural weakness, and other hazardous conditions.</p> <p>No smokers visible</p> <p>Many small rills exist on the out slopes of the refuse pile. These have reportedly been there for some time and are typical for exposed refuse materials. They do not appear to pose a structural hazard. Runoff from the top surface is not directed to the out slope, therefore it is expected that re-grading would simply start new rills. Sediment from this erosion reports to existing sediment ponds. In time, SCA's operations to remove the pile will eliminate the problem.</p>	
<p>7. Other Comments. Describe any changes in the geometry of the Excess Spoil/Refuse Pile structure, instrumentation, average and maximum lifts of materials placed in the pile, elevations of active benches, total and remaining storage capacity of the structure, evidence of fires in the pile and abatement of such fires, volumes of materials placed in the structure during the year, and any other aspect of the structure affecting its stability or function which has occurred during the reporting period.</p> <p>Waste Coal Removal</p>	
Certification Statement	<p>I hereby certify that; I am experienced in the construction of earth and rock fills; I am qualified and authorized in the State of Utah to inspect and certify the condition and appearance of earth and rock fills in accordance with the certified and approved designs for this structure; that the fill structure has been maintained in accordance with approved design and meet or exceed the minimum design requirements under all applicable federal, state and local regulations; and, that inspections and inspection reports are made by myself and include any appearances of instability, structural weakness or other hazardous conditions of the structure affecting stability.</p> <p>By: <u>S. Scott Carlson - Senior Project Manager</u> (Full Name and Title)</p> <p>Signature: <u><i>S. Scott Carlson</i></u></p> <p>P.E. Number & State: <u>187727 - UT</u></p> 



COARSE REFUSE PILE

INSPECTION AND CERTIFIED REPORT ON EXCESS SPOIL PILE OR REFUSE PILE		Disposal Area	
Permit Number	C/007/042	Report Date 1/6/04	
Mine Name	STAR POINT WASTE FUEL		
Company Name	SUNNYSIDE COGENERATION ASSOCIATES		
Excess Spoil Pile or Refuse Pile Identification	File Name:	Disposal Area	
	File Number	N/A	
	MSHA ID Number	N/A	
Inspection Date	December 12, 2003		
Inspected By	Scott Carlson		
Reason for Inspection (Annual, Quarterly or Other Periodic Inspection, Critical Installation, or Completion of Construction)		Fourth Quarter Inspection 2003	
		Attachments to Report? <input type="checkbox"/> No <input checked="" type="checkbox"/> Yes	
Field Evaluation			
<p>1. Foundation preparation, including the removal of all organic material and topsoil.</p> <p>The site selected for the new disposal area is the old slurry ponds. Any topsoil recovered would have been addressed prior to the pond construction.</p>			
<p>2. Placement of underdrains and protective filter systems.</p> <p>N/A</p>			
<p>3. Installation of final surface drainage systems.</p> <p>N/A</p>			
<p>4. Placement and compaction of fill materials.</p> <p>Did not receive disposal materials during this Quarter.</p>			

INSPECTION AND CERTIFIED REPORT ON EXCESS SPOIL PILE OR REFUSE PILE	Disposal Area	
<p>5. Final grading and revegetation of fill.</p> <p>N/A</p>		
<p>6. Appearances of instability, structural weakness, and other hazardous conditions.</p> <p>None</p>		
<p>7. Other Comments. Describe any changes in the geometry of the Excess Spoil/Refuse Pile structure, instrumentation, average and maximum lifts of materials placed in the pile, elevations of active benches, total and remaining storage capacity of the structure, evidence of fires in the pile and abatement of such fires, volumes of materials placed in the structure during the year, and any other aspect of the structure affecting its stability or function which has occurred during the reporting period.</p> <p>No Construction occurred during this quarter.</p>		
<p>Certification Statement</p>	<p>I hereby certify that; I am experienced in the construction of earth and rock fills; I am qualified and authorized in the State of Utah to inspect and certify the condition and appearance of earth and rock fills in accordance with the certified and approved designs for this structure; that the fill structure has been maintained in accordance with approved design and meet or exceed the minimum design requirements under all applicable federal, state and local regulations; and, that inspections and inspection reports are made by myself and include any appearances of instability, structural weakness or other hazardous conditions of the structure affecting stability.</p> <p>By: <u>S. Scott Carlson - Senior Project Manager</u></p> <p>(Full Name and Title)</p> <p>Signature: <u><i>S. Scott Carlson</i></u></p> <p>P.E. Number & State: <u>187727 - U</u></p>	





Site of Proposed DISPOSAL AREA